

DISTRICT GRANT TO ORGANIZE A SPECIAL EDUCATION COOPERATIVE

Purpose of the Grant Opportunity

The Division of Special Education is offering a grant opportunity to school districts interested in organizing a special education cooperative. Currently, a number of Missouri districts, primarily in rural areas, participate in cooperative agreements in order to cover a variety of special education services and to support each district's special education program ages 3-21. Districts involved in co-ops generally report fewer concerns with compliance issues during state monitoring, improved access to specialized programming for children with low incidence disabilities, expanded support for staff professional development, and the opportunity to maximize state and federal dollars available for special education services.

The Division's Co-op Grant opportunity is designed to provide start-up funding for a three year period. In order to qualify for the grant, four or more districts in a contiguous geographic area must enter into an agreement to form a special education cooperative and agree to be operational by the beginning of the following school year. At the end of the 3 year funding period the Division expects that all costs covered by the grant will be absorbed by the cooperating districts. The grants will be awarded as completed applications are received and approved by the Division. All districts identified as members on the application will be notified of the award. Initial year funding should support planning and organizational activities while funding in the second and third years can cover some limited implementation costs. In no case will the grant money be sufficient to cover all costs for the co-op; however, the start-up funding should enable the districts to cover costs for development and initial implementation of the cooperative.

The following information is provided in order to assist districts with their planning and organizational activities.

Background Information Related to the Grant Opportunity

Cooperative agreements vary in the state depending on the needs of the member districts. Currently each established co-op has a designated fiscal agent with responsibility for financial management. Each member district is assessed a yearly financial contribution paid to the fiscal agent to support the co-op's operational expenses. In turn, the member districts receive the special education services outlined in the district/co-op agreement. The co-op's fiscal agent currently receives each member district's federal Part B entitlement and the state exceptional pupil aid (EPA) payment for co-op employed staff. Recent legislative changes for both state and federal special education payments make this method of funding the co-op no longer feasible. Beginning July 1, 2006, both state funding and Part B entitlement for member districts will be paid to each district and not to the fiscal agent.

IDEA 2004 designates a portion of a district's federal Part B funding that may be used by the district to support "early intervening services." These services are defined in IDEA 2004 as services supporting the education of children not identified for special education and related services but who need additional academic and behavioral support to succeed in a general education environment. Therefore, the Division believes that the Part B entitlement must flow directly to individual districts and not to a single fiscal agent of a special education cooperative. This payment process will be implemented in fiscal year 2007. Also in FY 07, districts will no longer receive their state funding for special education based on specific staff as is currently the case with EPA. State funding to support special education services will be included in the state aid payment calculated through the school foundation formula. This change will

result in each co-op member district receiving state funding for special education programs directly with no opportunity to redirect the payment to a designated fiscal agent.

It is recommended that co-ops designate a permanent fiscal agent and not adopt a rotating fiscal agent structure. A permanent fiscal agent offers districts more operational stability in financial management, data collection and reporting procedures and staff employment issues, such as teacher tenure, salary and benefits packages.

Existing Cooperatives (ages 3-21)

Attached with this information is a list of districts that are currently members of special education cooperatives. This listing includes the name of the co-op, the member districts, and the contact person for the cooperative, with the fiscal agent district displayed in bold print. Districts interested in applying for this grant may want to contact current co-op directors and/or member districts for more information on their operational procedures.

Some districts in the state have joined together to provide a single point of service for ECSE services only. These arrangements are basically collaborative agreements between two or more districts to provide ECSE services to eligible children within a designated geographic area. Districts already organized to provide ECSE services may want to consider expanding to a cooperative under this grant opportunity to serve children ages 3-21. This grant is **not** available to districts for agreements to provide ECSE services only.

Application Procedures

Only one application per cooperative will be accepted. The attached application form must accompany the grant proposal and the proposal must include all designated information and documentation before the Division will consider the application for funding. Applications received without this documentation or with partial documentation will not be reviewed by the Division until all items are received. Funding for this initiative is limited and applications will be processed and grants awarded in the order received until all funds are committed:

- Explanation and costs associated with planning and organization of the co-op (first year expenses).
- Detailed description of the co-op responsibilities.
- Proposed budget for first and second year operations.
- Plan for supporting the co-op beyond the start-up grant.
- Copy of member district agreements

The application must include the names of the districts interested in forming the co-op and the signature of each superintendent. This initial application process does not limit the co-op to only the districts listed. It is intended to demonstrate commitment on the part of interested districts to fulfill the terms of the grant.

Award Requirements

All grant funding will go to the designated fiscal agent. In the initial planning year, the districts will receive funding to support planning activities as described in their application up to a maximum of \$25,000. The first payment (approximately half of the approved total) will be processed after approval by the Division and the remaining amount upon receipt of a progress report (approximately 4 months into the

planning process). Applications must describe the planning phase and identify the amount required to complete the specified activities. Districts may begin co-op operations in the first year and may apply for funding to support those operations with their progress report describing the planning year activities. Progress reports may be submitted at any time during the first year and must outline the implementation plan for the start of the co-op's operation, if the districts are requesting implementation funding in addition to the planning grant during the first year.

Maximum funding for the second and third year will be \$60,000 per year and paid to the fiscal agent in two equal payments per year. The first payment will be made in August each year with the remaining payment after DESE receipt and approval of the co-op's six month progress report and planning document for the following year.

Reporting Requirements of Grant

Progress reports are required in all three years of the grant. The Division of Special Education will provide a report document that will address required components and any documentation that supports the plan. In the first year, the initial report is due 4 months after the date of the grant award. The content of this report must include a detailed description of the organizational committee's planning activities and progress to date.

In addition, the co-op will be required to submit a detailed budget defining the costs of the operation. Exact expenditures related to the grant money must be detailed in the reports to the Division. A copy of the co-op agreement for the member districts and a description of the governing board and its function must be submitted to the Division with the final report at the end of the initial year.

The second year report will be due in mid-year focusing on the initial year's implementation and must address specific plans for the co-op operation in the following school year. For example, a co-op may choose to phase-in services over a multi-year period. The initial year of operation may focus on providing diagnostic services to the member districts with plans to expand services to include occupational therapy, physical therapy and other related services in the second year of operation. By the third year, the co-op may expand services to early childhood special education, services for low incidence populations, behavioral health supports or other similar services determined necessary by the co-op members.

The third and final year report must address all previous reporting requirements and include a detailed description of the financial support that will sustain the co-op in succeeding years.

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